

REORGANIZATION OF THE TREASURY DEPARTMENT.

REPORT

FROM

THE SECRETARY OF THE TREASURY,

On the reorganization of the Treasury Department.

DECEMBER 8, 1834.

Read, and referred to a select committee, to consist of nine members.

TREASURY DEPARTMENT,

December 5, 1834.

In the Senate of the United States, May 8, 1832, it was "*Resolved*, That the President of the United States be requested to cause to be prepared and laid before the Senate, at the commencement of the next session of Congress, a plan for the reorganization of the Treasury Department, with a view to simplify the forms of settling and keeping the accounts, and of rendering them more intelligible; of a more equal distribution of the labor and duties; and for abolishing some of the subordinate branches, and reducing the number of clerks in the Executive Departments."

This resolution having been referred by the President to this department for examination and report, various reasons, which need not here be repeated, occurred to delay them until February last. On the 18th of that month, a similar resolution in all respects, except directing the call in the first instance to the Secretary of the Treasury instead of the President, and limiting the reply to no particular period, passed the House of Representatives. The undersigned, in obedience to these requests, has examined the points presented with all the care and reflection in his power, under the great pressure of other duties, and will now proceed to submit the results to Congress with the utmost brevity practicable, without a neglect to discuss and explain the whole subject to an extent corresponding in some degree with its acknowledged importance.

REORGANIZATION.

It will be found that the plan for a reorganization of the Treasury Department, when analyzed, is expressly required to be prepared—

1st. With a view to simplify the forms of settling accounts, of keeping accounts, and of making them more intelligible; and

2dly. With a view to a more equal distribution of labor, for abolishing some of the subordinate branches, and for "reducing the number of clerks in the Executive Departments."

All these particulars, except the last, seem to relate exclusively to the Treasury Department in its various ramifications. The last, though it nominally includes *all* the Executive Departments, it is presumed, was intended to embrace them only in respect to the operation on them of any changes recommended in the Treasury Department.

It is well known that all the other departments might be more or less influenced as to the number of their clerks, according to any changes made here, which would devolve more or less labor on those departments in relation to their fiscal business as connected with the Treasury. Under that view alone, therefore, as to this clause of the resolutions, the undersigned will proceed in their consideration.

While seeking to enforce the designs of Congress on the particular subjects enumerated, it will be presumed that no alterations were probably wished, which, in their general operations, would lessen any of the useful checks now existing to prevent errors in the Treasury, either accidental or designed, and to guard against losses to the public, or misapplication of money by departures from specific appropriations, or which would diminish the means of furnishing promptly to Congress and the public desirable information as to the receipts and expenditures, and of averting delays in the collections or settlement of the extensive moneyed concerns of the Government.

Keeping these salutary precautions in view, it has been the endeavor of the undersigned, under the analytical head of each principal branch or bureau of this department, to propose such changes as on full inquiry appeared conducive to any of the ends contemplated by the above resolutions, without a disregard of the precautions themselves.

In the whole result, much satisfaction has been derived from the conviction that, without any material violation of long usages and established forms, and without causing any shock or embarrassment in the usual business of the Treasury, these changes, if adopted, bid fair to produce a sensible improvement in the symmetry and fitness of the several functions devolved on many of the officers; a greater simplicity in the details and divisions of their respective duties; some reduction in the number of clerks; an easier understanding by the public of the business of each bureau; and a more equal distribution of labor, with an increase instead of a diminution in some of the useful checks on unauthorized and injudicious expenditures.

The principal business of the Treasury Department is divided into two great branches, one of which relates to the adjustment of accounts against the Government, and the other to the collection of its revenues. All the officers immediately attached to this department are intended to aid in the discharge of one or the other class of those duties; and though, in some particulars, a few of these officers are required to perform some acts connected with both the settlement of accounts, and the collection of the revenue, and can continue to be so employed without essential inconvenience, the two subjects being, in some respects, so intimately blended together, yet the chief business of some is much more closely connected with the mere settlement of accounts, and, of others, with the mere collection of revenue.

The subject of a reorganization of the department should, therefore, be examined, first, in respect to the officers and business chiefly pertaining to the former; and, next, in respect to those chiefly pertaining to the latter. The details under these divisions will be most natural by beginning with the Auditors, who hear and decide on the claims and evidence of individuals against the Government, and with the Comptrollers, who re-examine and control the hearing and decision of the Auditors. In these respects these two classes of officers are judicial. Afterwards we shall proceed to the Register, whose office was created for the purpose of recording the decisions or judgments of both, and preserving the evidence and vouchers; and, lastly, to the Treasurer, who carries the favorable decisions of the others into effect, by making payment after those decisions have been so rendered and registered, and the proper warrants have issued for the money. In these respects, these two last officers are wholly ministerial.

The above enumeration will comprise all such officers as, in connexion with certain duties in the collection and disbursement of money, have original and almost exclusive jurisdiction over the settlement and payment of most claims against the United States, where appropriations have been made by Congress to adjust them.

After this, it will be proper to enter into the details of any changes deemed eligible in that class of officers more immediately employed in superintending the collection of the public revenues, whether from customs on foreign merchandise, or from the sale of public lands. Under that division, it is intended to embrace the Commissioner of the General Land Office, and the proposed Commissioner of the Customs, whose chief duties, now performed by the First Comptroller, in conjunction with others of great importance, are recommended hereafter to be discharged by a separate officer, to be called the Commissioner of the Customs.

The office of the Solicitor of the Treasury comes properly under this general division, because, if any difficulties or litigations arise in the progress of collections, as well as in the keeping or disbursement of the public money, he is the officer lately attached to this department for professional assistance. Any changes in his duties will, therefore, be duly considered in this part of the inquiry, and some additional ones proposed, whether it be deemed advisable to continue this officer as a separate bureau, in this department, or to associate him with that of the Attorney General.

A few observations on some contemplated alterations in the duties now devolved on the head of the Treasury Department, will embrace every thing else intended to be submitted in the details of this report.

AUDITORS.

The present five Auditors are probably numerous enough for all fiscal purposes; but their respective titles by numbers, and the manner of assigning duties to them, are not calculated, in all cases, to make those duties well understood by the public, or to be free from complexity and an inappropriate mixture in one bureau of subjects totally unlike. The term "auditors," as showing to the public that they are the officers to first hear, or to examine the evidence, and state the results on the accounts or

claims of all individuals against the Government for settlement, is sufficiently significant. But the designation of the different Auditors merely by their number conveys no information as to the particular department with which each is associated, or the particular subjects for hearing and examination which are devolved on each. It is, therefore, recommended that their designation by numbers be changed, and the duties assigned to each be more simplified, and rendered more intelligible, by a new division of them in part, and by attaching one of these officers, and one only, to each department. The present First Auditor might then be called the Auditor of the Treasury Department, and have the additional duty of auditing the land accounts confided to him, as these last appertain to this department.

The present Second Auditor should, in this new arrangement, be called the Auditor of the State Department, and have the whole duty of the present Fifth Auditor on that subject devolve on him; as, on the Fifth Auditor, there are, and have been heretofore, imposed the most incongruous duties.

The Third Auditor would then be appropriately called the Auditor of the War Department.

The present Fourth Auditor would be called the Auditor of the Navy Department; and the Fifth Auditor would be called the Auditor of the Post Office Department, and his duties confined exclusively to that office; those connected with the State Department being transferred to the Auditor for the State Department, and those concerning light-houses to the Commissioner of the Customs, as hereafter further explained.

This would apprise the public at once, and constantly, of the nature of all their functions, and of the proper places whither to resort for the adjustment of claims of different characters, and for the transaction of a large portion of business in its incipient stages with the several departments. In the event of the adoption of these proposed changes, it is manifest that the duties of some Auditors may be very different in magnitude, as to their details, from those of others; but then, as now, the talent, acquirements, and respectability required in the head of each bureau, would not be very dissimilar, and, consequently, no difference is proposed in their salaries and rank. But in this new division of duties, a corresponding change in the arrangement and number of their respective clerks would become indispensable. Two or three of the clerks allowed by law in the First Auditor's office will be unnecessary, and may be dispensed with after the payment of the public debt, unless the newly suggested duties as to land accounts should be devolved on him, in which event he probably may need most, or all of his present force. In the Second Auditor's office a reduction is practicable of more than one-half in number. This is proposed to be effected by a transfer of the whole of his present clerks to the Third Auditor, and by having him receive from the Fifth Auditor a sufficient number of clerks for the performance of his new business, who have had experience in the transaction of it. From the Third Auditor's none can be spared, but he will need all the clerks transferred by the Second Auditor, except, perhaps, one or two, if an assistant, as some suppose, shall be found necessary, in the discharge of his arduous duties, and be assigned to him, on a salary equal to that of a chief clerk.

In the Fourth Auditor's, two clerks can be dispensed with, unless a property account of the navy is hereafter to be kept there. In the Fifth Auditor's, at least five clerks heretofore employed in the business of the State Department can be transferred to the Second Auditor, leaving only the accounts of the Post Office in his charge, and four instead of three clerks devoted to those alone, with greater efficiency, and to be hereafter increased in number, if necessary, with the increasing business connected with our great Post Office establishment. The other clerks in his office it is proposed to transfer, with the business of light-houses, to the Commissioner of the Customs. It seems required by a due regard to system, uniformity, and proper accountability, that neither those empowered by law to decide on the necessity of certain services and purchases, nor those who make the purchases and contracts, should also adjust the accounts rendered for them, but that the Auditors themselves, whether the claims originate under authority of the heads of bureaus or of departments, should have the exclusive power, in the first instance, to judge of the reasonableness and just amount due, looking to all the evidence in the case, and to the laws and fixed prospective regulations that apply to it. Their decisions will then pass in review before the Comptroller, imposing on him the same guides, and afterwards be subject to an appeal when they differ in opinion, and only then, to the Secretary of the Treasury, in all cases not arising under his own orders. In the others, if deemed more appropriate, an appeal might be authorized to the Solicitor, or to the Attorney General. In cases where the accounting officers agree, the decision should be regarded as final, except such redress as Congress, on application of the claimant, may be pleased to direct.

COMPTROLLERS.

It is proposed to continue to devolve on the office of Comptroller all the duties originally contemplated for it, but to relieve it from those not appropriately connected with the functions of comptrolling. In this manner all those duties in the settlement of accounts, and in the restriction of the public expenses within the amounts appropriated, by countersigning all warrants, and keeping a check statement of all appropriations and expenditures, and which duties are now discharged by both the First and Second Comptrollers, could be discharged by one of them, probably with the same, and, after the payment of the public debt, and the system of May, 1822, as to drawing warrants, is changed, with a less number of clerks than is now employed in that part of their business.

By the devotion of the undivided attention of a certain number of persons to that part alone, so as to combine in all as much time in its discharge as is now spent, the whole comptrolling which will then remain, and which is so very essential to the pecuniary safety of the Government, can doubtless be performed with equal, if not increased skill, accuracy, and efficiency. Besides this, a legal and proper check would then undoubtedly be obtained in all cases in passing accounts by the Comptroller. This is not now supposed to be had by the First Comptroller, in respect to some accounts which may, occasionally, though very seldom, grow out of any of his own previous decisions or directions, as superintendent of the customs; and it is manifest that no effectual check can ever exist in any

case where the same officer authorizes the expenditure, and audits or controls the audit of the account. The duties which the First Comptroller now performs, and has long performed, as superintendent of the customs, it is proposed to separate wholly from his duties as Comptroller, and to devolve them apart and exclusively on another officer and bureau constituted for that single purpose. This would simplify the organization of this department in those particulars, and render the chief respective duties of the two officers now called Comptrollers much better understood by the community.

Until vacancies occur, it seems appropriate that these duties being thus divided, the separate bureau as to the customs should be established under charge of one of the present Comptrollers, and, more properly, perhaps, of the second one, who, in that event, should have his title changed to "Commissioner of the Customs," in analogy to the title given to the Commissioner of the Land Office.

Then each of those Commissioners would become the respective and immediate head of one of the two great collection systems connected with our customs and our public lands.

About five clerks thus transferred from the Comptroller's, another from the Fifth Auditor's, and one from this office, would probably be sufficient to aid the person occupied in the discharge of the increased duties proposed for the Commissioner of the Customs.

The present Comptroller, with the remaining clerks now in the offices of both Comptrollers, reducing the whole number one, after the debt is paid, and the system of May, 1822, changed, would, in my opinion, as before remarked, be able with readiness to perform all those duties appropriately connected with the situation of Comptroller.

It is believed, also, that in this way no alteration in the salary or rank of either officer would now be necessary, and that the evil of an insufficient number of clerks in the office of the Second Comptroller, at present a subject of complaint, will, by this arrangement, be in a great measure remedied, without any addition to the public expenditures. Because, so far as regards the collection of debts, and the correspondence connected therewith, the office of the Comptroller has been relieved for some years, by first devolving that duty on the Fifth Auditor, and recently on the Solicitor of the Treasury.

The extinguishment of the whole national debt, and the closing of the books, accounts, &c. connected with it, as well as the proposed change in drawing warrants in the War and Navy Departments, if adopted the ensuing year, will bring a further and material relief in the labors now performed in the offices of the two Comptrollers, as well as in some others, and the person hereafter acting as sole Comptroller, with the aid of the present force in both offices, left to be devoted to the peculiar business of comptrolling, will, as before explained, be probably able to perform it all with promptitude and ease. But if found necessary, after trial, an assistant, as suggested in the case of the Third Auditor, could be allowed, on a salary about equal to that of a chief clerk.

It would seem advisable to provide by law some further check in his office over the payment of any money in advance, except in the particular cases, and to the particular amounts authorized by acts of Congress, or by the President under those acts.

To effect that object, which is not now fully attained, it might be well to require that, in all cases of requisitions for advances, a copy of the authority for them should punctually be lodged with the Comptroller.

REGISTER.

In the arrangements of this office no change is contemplated, except that all the papers connected with the office of Second Comptroller, and now deposited with the Second, Third, and Fourth Auditors, should, after a certain period has elapsed, sufficient to dispense with frequent references to them, be placed where they appropriately belong, and where the original design of this office required, in the charge and under the responsibility of the Register. That period might, perhaps, from the nature of their business, be conveniently extended to four or five years, in the Third and Fourth Auditors' offices, and all accounts and vouchers of older date be afterwards transferred to the Register's office. In the mean time the Register could locate a clerk or clerks in their offices to have charge of the vouchers, or could leave them there on the responsibility of those Auditors. They could afterwards be removed and arranged so that, very readily, long adjusted claims or vouchers on any subject whatever could at once be found in a single bureau, instead of being sought for in three or four. Perhaps, after the business of the national debt is closed, the ensuing year, a reduction of one clerk could be judiciously made in this office, notwithstanding the proposed transfer of papers to its charge. The title of the Register, if altered to that of Register and Keeper of Accounts and Vouchers, would render his duties more intelligible to the public.

TREASURER.

No changes are proposed in this office beyond what of late years have been introduced under existing laws, giving greater security against forgeries and frauds, by having no payments made by depositaries of the public money, except on regular warrants, signed by all the customary officers, instead of mere drafts of the Treasurer, formerly in general use, through a letter, by now advising each depositary of every warrant issued against him; and by consolidating the hospital and pension funds of the navy into the usual accounts of receipts and expenditures, greater safety and simplicity have been attained; and, if deemed necessary, the benefit of all these changes might be secured hereafter permanently, by new legal provisions. One material change during the past year was introduced, which has diminished, somewhat, the apparent number of defaulters, and closed up some unsettled accounts, without injury to the Government. In all cases where land had been set off in execution, or sold, and bought in by the United States, the account, instead of being left open, as formerly was the practice, until the land was finally disposed of to some third person, has been closed by the credit of the amount for which the land was set off, or sold, according to the real operation of law, and the Treasury has, in order to prevent errors in appearance, then charged to the lands thus obtained the amount invested in them, until the lands are conveyed to some third person, when their produce is properly and ultimately brought into the Treasury.

There would be a manifest advantage, in some respects, as to the

greater simplicity and uniformity required by the resolution, in any new organization of this department, if a similar system was, by law, extended to all the receipts of the Post Office, which now prevails as to the other receipts of revenue; and, in case Congress reorganize its fiscal arrangements, if they should require those receipts to pass in form into the Treasury, and be drawn out in the usual way, and all its accounts to be adjusted by the proper Auditor and Comptroller, like other accounts connected with the other departments. In that event, it is proposed to permit the Postmaster General to retain the same controlling power over requisitions, &c. which is exercised by the Secretaries of State, War, and Navy. He could draw his warrants directly on the Treasury, and under the same checks with them; but in that case the number of warrants would be so numerous, and perhaps inconvenient, on the books of this department, that, in analogy to what now exists in the Post Office, one or more officers to act as collector, subtreasurer, and paymaster for it throughout the Union, would seem necessary. By such an arrangement only a few warrants, in respect to him or them, would be drawn, and only in large sums, specifying the heads of contemplated expenditure, but leaving the particulars to be exhibited, investigated, and adjusted finally in the settlement of the accounts of those officers, as is now practised with some similar officers in the Treasury and army.

The undersigned will proceed to offer a few remarks in relation to those officers and bureaus that are, and should be, more immediately connected with the collection of our revenue, than with the adjustment of accounts against the Government. These two kinds of duties, though in some degree united at present in some offices, are generally, and, to promote simplicity in arrangement, and skill, and responsibility in their performance, ought to be, in all cases, separated, whenever feasible and convenient.

THE COMMISSIONER OF THE CUSTOMS.

This is a new title, proposed, as before mentioned, to be conferred on the present Second Comptroller, in connexion with the change of relieving the first one entirely from all the duties he now performs as superintendent of the customs.

The details on this particular branch of the duties devolved on the Commissioner of the Customs having been already presented under the head of "Comptrollers," it will not be necessary to add any thing upon them here, except that the whole system will thus become much more intelligible and easy by having one officer to preside over each great branch of collections in the revenue, and by having those officers, without any addition to the whole number in the Treasury, or to the whole expenses of its bureaus, employed as exclusively as possible in what is connected only with preparations for collections, and in actual collections.

It is proposed further to place under his charge, beside the duties now performed by the First Comptroller as superintendent of the customs, the other appropriate duty of superintending our light-house establishment, and which was originally in charge of the Commissioner of the Revenue.

To these it is recommended to add the duty of attending to the erection and repair of all custom and warehouses, and all marine hospitals,

with the general superintendency of the revenue boats, and the whole revenue cutter service.

The Commissioner of the Customs would then have sufficient and appropriate duties, and could be able to discharge them all with the aid of the three clerks now principally employed in these branches of business under the present First Comptroller, of one of those employed in relation to light-houses by the Fifth Auditor, and one now mostly employed in business connected with the customs, detached from the office of the Secretary of the Treasury.

If the remission of penalties and forfeitures be not, as hereafter recommended, devolved on the Solicitor of the Treasury, and if the admission to entries, where no fraud appears, but the want of some formalities exists, be not devolved on the collector and naval officer jointly, as proposed in my report in relation to custom-house salaries and officers, the decision in all such cases might judiciously be entrusted to the Commissioner, placing him in this, as in his other duties, under the general supervision and control of the head of this department. Another useful branch of his business might be to inspect, or cause to be inspected occasionally, the different custom-houses, as the land offices are now sometimes examined, and as recently all the light-houses on the seaboard have been closely examined, under orders from the Treasury.

THE GENERAL LAND OFFICE, AND ITS COMMISSIONER.

This constitutes an important bureau connected with the Treasury, and which, for reasons stated in my annual report, requires an additional number of clerks.

It is proposed to call the superintendent thereof "The Commissioner of Public Lands," as the superintendent of the customs is proposed to be called "The Commissioner of Customs." The present organization is well adapted, in most respects, to the ends to be obtained from it. To relieve him from some of his present onerous duties, and give more time for what appropriately belongs to the Commissioner, it is recommended to transfer the final auditing of all accounts connected with the public lands to the First Auditor, where they properly belong, and where symmetry in our system requires them to be placed.

The suitable check, likewise, will then be restored over the settlement of what has been allowed, under the order of one officer, by the intervention and control of another and distinct officer, in the ultimate adjustment of the claim. But it may be convenient and useful, on account of the papers on file in the Land Office, and the books which must be examined in the progress of the adjustment, still to require there a preliminary investigation and report on most of the claims, before they are referred to the ultimate and supervisory decision of the First Auditor.

THE SOLICITOR OF THE TREASURY.

It seems highly proper that some additional duties should be devolved on the law officers of the Government; and, if the present organization as to the Attorney General and the Solicitor of the Treasury be retained, that they should be imposed on the latter.

As his duties are now limited chiefly to subjects connected with the

collections of the public debts, it has been a controverted question whether it might not be more expedient to impose them on the Attorney General, and in that event, especially if the additional duties proposed are assigned to him, to associate the Solicitor, or an assistant, with him, or to require the exclusive labor and time of the Attorney General to be devoted to official subjects, with a corresponding increase of compensation and clerks.

Among the additional duties deemed appropriate for the Solicitor, or, in the event of a different organization, for the Attorney General, it would seem proper to require that he should have in custody, collect together, and arrange all the title-deeds of the United States to the property purchased or obtained by donation for forts, arsenals, and navy yards, as well as light-houses, custom-houses, hospitals, naval or marine, magazines, court-houses, or public buildings of any kind, as well as the special reservations of lands with lead mines, salt springs, live oak or other naval timber.

An accurate abstract or record of them, under an intelligible system, in suitable books, as well as a proper filing of the evidences of titles after being collected, would be highly useful to the public and the Government, in making necessary inquiries on these subjects, and in enabling the latter to ascertain the probable extent or validity of these titles in case of controversies. Much benefit would arise also if annual reports were required to be laid before Congress, by this officer, of every case which had occurred during the year of insolvency, or failure of any collecting or disbursing officer of the United States, the amount due, and the steps taken for procuring security and enforcing payment, and if accompanying these with suggestions as to the causes of any probable losses likely to happen, and the measures recommended to prevent them in future.

It is proposed, also, that he should examine and decide on all cases of penalties, forfeitures, or fines, in the revenue system, where an application is made to this department for their remission.

Should the organization of the Post Office Department be changed, the duties of Solicitor for that might also be appropriately imposed on him, and the change would add something to due symmetry on these subjects in the executive establishments of the Government, and would save some expense in the whole clerk hire probably now assigned to the performance of these duties.

The allowances for assistants to district attorneys, in certain cases, where they are ill, or interested, or otherwise disabled from doing the public business faithfully and promptly, and the allowances to them for any extra services, ought, it is thought, to come under his peculiar cognizance in the first instance, and be yearly provided for by a special appropriation. The evidences of the titles before named, if the Solicitor's office be not retained, might be lodged with the Register, and the remission of penalties, &c., as before suggested, be assigned to the Commissioner of Customs, should it be deemed more appropriate than to impose them on the Attorney General.

It only remains to offer a few suggestions in respect to some of the duties devolved on the head of the Treasury Department, and to recommend a few changes, which appear to be required, for a more natural or suitable arrangement, and for public convenience and economy.

SECRETARY OF THE TREASURY.

The duties of the head of this department should be limited to appropriate subjects, if practicable ; and hence the Virginia claims for revolutionary services in the army and navy, though now mostly disposed of, could be transferred with much propriety to the War Department, and the payments of deficiency in commutation, under the act of May, 1828, be made to revolutionary officers and soldiers by the same department. They would more easily and economically be connected with the payments under the act of 1832, and under the old pension system.

When all this business is collected into one bureau, exclusively directed to the subject, and in possession of the most important papers, mistakes and frauds would also be much less likely to occur.

The mere building of marine hospitals, warehouses, and light-houses, had better, on some accounts, be transferred to the same department, as having skilful engineers ; though an intermediate arrangement is here recommended, providing for the performance of all such duties by the engineer corps, when required by the Treasury Department, and placing the immediate superintendence over all of them, as before suggested, in the Commissioner of the Customs.

The system is laborious, inconvenient, and unnecessary, which directs the signing by the Secretary of the Treasury of each warrant for every small sum required from time to time by the Navy and War Departments. By the act of May, 1822, it was adopted, instead of the system which always before prevailed, of his signing all the warrants to draw money out of the Treasury for those departments, but signing them only occasionally and for large sums. These sums were then placed to their credit in the Treasurer's hands, as agent for those departments, and were afterwards drawn from him by their secretaries from time to time in such small sums as were needed.

Effectual checks against overdrafts or misapplications exist in the Comptroller's office, without the present system ; much delay is also caused by the present system to the public and to officers in obtaining their money, and additional labor is imposed by it, not only on the Secretary of the Treasury, but on the whole business of comptrolling and registering.

If the ancient system was restored, it might be some improvement, but the improvement would be unquestionable and much greater if the heads of all the departments, separately and alone, were empowered to draw all their own warrants, and draw them directly on the Treasurer as Treasurer, and not as agent. In this case, there would still exist the responsibility of those heads of departments respectively, for all their official acts, and the usual checks against overdrafts which now exist, by accounts being opened and kept with each appropriation in the Comptroller's and Register's offices, and which checks it is not proposed in this report to alter or discuss ; and, in addition to them, the auxiliary checks of the account or balance sheet, now kept in each department, of the amount of each of its appropriations and drafts. The same checks as now, on the allowance and settlement of particular claims, will likewise remain with the Auditors and Comptroller.

The effect of these changes would be to make the division of labor between the heads of the different departments more equal, appropriate, and intelligible to the public ; and officers and creditors would obtain

their money, after their accounts are adjusted, in about half the time now required, as something like twenty different persons, and six or seven different officers, must now be resorted to, after a sum is first ascertained to be due, before a warrant from those departments is completed.

In the event that this, and the other changes proposed, should be adopted, no difficulty would result from the reduction of one or two in the number of clerks now allowed in this office, though its general duties and labors, independent of the public debt, have long been on the increase.

The changes suggested as to warrants from the Navy and War Departments would also assist in dispensing with some clerk hire in the offices now connected with comptrolling and registering.

In the new organization of this department, a slight alteration, which would seem advisable in all the departments, is recommended, so as to make the chief clerk, *ex officio*, responsible for all the books and papers, and to empower him to discharge the duties of the head of the department in his absence.

The convenience of all concerned, and the prompt despatch of ordinary business for the public, would be much promoted by such a provision.

Great caution might also be usefully exercised that the permanent clerks, not only in this office, but in all its subordinate bureaus, and in "all the Executive Departments," so far as affected by the new organization now proposed, should not be increased beyond the number necessary for the current business of the year; and, instead of their increase, that a larger provision be made to enable the heads of departments and bureaus to employ extra clerk hire during the great pressure of extra business while Congress is in session, and on other urgent occasions.

It now happens that either the permanent and regular business of some officers is in part delayed or neglected, for weeks and months, to meet congressional calls, and other extra requirements, chiefly during its session, or that the business of Congress and of petitioners is injuriously postponed, from the inconvenience or impracticability of answering those calls in due season.

If the clerks are permanently increased so as to enable the departments to keep up the regular business, and also answer the extra calls of Congress during its session, there is little or very insufficient employment for many of them during most of the recess.

With one other general suggestion in aid of the present and proposed checks or securities against the misuse of the public money, the undersigned will close his remarks concerning the reorganization of the Treasury Department.

Notwithstanding the numerous forms and obstacles which now exist to prevent the smallest sum from being taken out of the Treasury without the previous authority of Congress, the Treasurer being now charged on the public records, and under his own written acknowledgment, with every dollar that goes into the Treasury, and cannot be discharged from a single dollar of it except by those records, and a written direction, obeyed by him, in the form of an order or warrant for payment, signed and verified by three other distinct officers, showing the money to be wanted to meet some appropriation made by Congress itself, yet it is possible

that a combination among all these officers, or an accident escaping the vigilance of all, might lead to an improper withdrawal from the Treasury of some part of the public money.

To guard against this, it might be advisable to require, by a standing law, what has been heretofore performed on at least two occasions, in 1794 and 1801; that is, a periodical examination by a committee of Congress into the actual condition of the Treasury. That examination going beyond the forms and records, beyond the face of all the accounts kept, and even the publication, required by the constitution, of the receipts and expenditures of all public money, should in a special manner, whenever the slightest suspicion exists, extend to a close inquiry into the settlement itself of any accounts; the occasion for any allowances; the rules and extent of all discretionary expenditures; the evidences of the actual amount of the money in the Treasury; and any other circumstance which would tend to detect error, or lead to salutary improvements in any of the existing laws.

The preceding remarks, in reply to the resolution of Congress concerning a reorganization of this department, and "reducing the number of clerks in the Executive Departments," contains all which it is deemed material now to submit.

Without claiming any originality for some of the ideas expressed, as the experience and suggestions of officers long and respectably connected with the administration of different parts of the Treasury Department have been invoked freely, and very usefully on this occasion, in aid of my own reflections and researches, yet it is hoped that the change recommended, if incorporated into the present establishment, will produce some very beneficial effects, and, it is sincerely believed, will tend to make it approximate much nearer to the views and wishes of Congress, as embodied in those resolutions, than does the existing organization of the Treasury, or any one which is known to have been heretofore proposed for public consideration.

Difficulties will perhaps spring up on various sides, to defeat changes which may have, or may be imagined to have, an unfavorable effect upon some incumbents personally, and others officially; while honest differences of opinion will be likely to occur in respect to the probable advantage to result from some other changes.

But these circumstances have not influenced the undersigned to desist from the frank recommendation of any which, in a public view, he sincerely believes would tend to produce a salutary reform, and which he trusts will produce it, however well he knows all the difficulties of such an undertaking, "the vestiges of the past, the obstacles of the present, and the contingencies of the future."

All which is respectfully submitted.

LEVI WOODBURY,
Secretary of the Treasury.

To the Hon. JOHN BELL,
Speaker of the House of Representatives U. S.

